

# **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS**

**SELLER:**        **ROZELLA J. KROHNE, an individual**

**BUYER:**        **Loma Linda Redevelopment Agency**

**DATED:**        **April 13, 2004**

### BASIC TERMS

Effective Date: The date this Agreement is approved by the Loma Linda Redevelopment Agency.

Seller: Rozella J. Krohne, an individual

Seller's Address: 25472 Van Leuven Street  
Loma Linda, California 92354  
Telephone No. (909) \_\_\_\_\_

Buyer: Loma Linda Redevelopment Agency,  
a public body corporate and politic

Buyer's Address: Loma Linda Redevelopment Agency  
Attention: Pamela Byrnes-O'Camb, Agency Secretary  
25541 Barton Road  
Loma Linda, California 92354  
Tel. (909) 799-2819  
Fax No.: (909) 799-2890

Contingency Date: Thirty (30) days after the Effective Date

Purchase Price: Two Hundred Thirty-Seven Thousand Three Hundred Fifty and No/100 Dollars (\$237,350.00).

Real Property: That property generally known as 10807-10809 Poplar Street, Loma Linda, California 92354-2227. APN 0283-141-66-0-000 and APN 0283-141-19-0-000.

Closing Date  
or  
Closing: June 30, 2004

Title Company: First American Title Company  
323 Court Street  
San Bernardino, California 92401-1604  
Telephone No.: (909) 889-0311  
Fax No.: (909) 384-8464  
Attn: Christe McMullen  
Order No.: 0623-1358612(10)

Escrow Holder: First American Title Company  
323 Court Street  
San Bernardino, California 92401-1604  
Telephone No.: (909) 889-0311  
Fax No.: (909) 384-8464  
Cheryl Miller

**PURCHASE AND SALE AGREEMENT  
AND  
JOINT ESCROW INSTRUCTIONS**

This **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS** ("Agreement") is made and entered into as of the Effective Date by and between Seller and Buyer.

**RECITALS**

**A.** Seller is the fee owner of that real property located in the City of Loma Linda, California, legally described on Exhibit "A" attached hereto and made a part hereof (the "Real Property").

**B.** Seller has offered to sell to Buyer the Real Property described herein for the price and subject to the terms set forth below. Buyer desires to buy from Seller the Real Property, free and clear of encumbrances, as more specifically described below.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

**1. Purchase and Sale.** Seller hereby agrees to sell the Real Property to Buyer, and Buyer hereby agrees to purchase the Real Property from Seller, on the terms and conditions set forth in this Agreement. The term Real Property is defined collectively as the following:

- (a) The fee interest in the Real Property;
- (b) All rights, privileges, easements, licenses and interests appurtenant to the Real Property. Such rights shall be deemed to include, without limitation, all royalties, minerals, oil and gas rights and profits, water and water rights (whether or not appurtenant) owned by Seller;
- (c) All personal property, equipment, supplies, and fixtures owned by Seller and located at the Real Property;
- (d) All of Seller's interest under contracts, leases, and other agreements associated with the Real Property (including, without limitation, any security deposits, which are to be turned over to Buyer concurrent with Closing); and
- (e) All of Seller's interest as lessor in any lease or agreement to rent all or any portion of the Real Property.

**2. Payment of Consideration.** As consideration for the sale of the Real Property from Seller to Buyer, Buyer shall, at the Closing (as defined below), pay to Seller the Purchase Price for the Real Property as follows:

(a) Prior to Closing, Buyer shall deposit with Escrow Holder immediately available funds in the amount of Two Hundred Thirty-Seven Thousand Three Hundred Fifty and No/100 Dollars (\$237,350.00), together with funds necessary to cover Buyer's closing costs described in Section 10(b), below.

### **3. Escrow and Deposit.**

(a) **Opening of Escrow.** For the purposes of this Agreement, the escrow ("Escrow") shall be deemed opened ("Opening of Escrow") on the date that Escrow Holder receives a copy of this Agreement fully executed by Buyer and Seller. Buyer and Seller shall use their best efforts to cause the Opening of Escrow to occur on or before two (2) business days after the Effective Date. Escrow Holder shall promptly notify Buyer and Seller in writing of the date of the Opening of Escrow. Buyer and Seller agree to execute, deliver and be bound by any reasonable or customary supplemental escrow instructions or other instruments reasonably required by Escrow Holder to consummate the transaction contemplated by this Agreement; provided, however, that no such instruments shall be inconsistent or in conflict with, amend or supersede any portion of this Agreement. If there is any conflict or inconsistency between the terms of such instruments and the terms of this Agreement, then the terms of this Agreement shall control. Without limiting the generality of the foregoing, no such instruments shall extinguish any obligations imposed by this Agreement or any other agreement between Seller and Buyer.

(b) **Closing.** For purposes of this Agreement, the "Closing" or "Closing Date" shall be the date the Deed (as defined below) is recorded pursuant to applicable law in the county in which the Real Property is located. Unless changed in writing by Buyer and Seller, the Closing shall occur on the Closing Date, June 30, 2004 (the "Closing Date") or as soon thereafter as the conditions precedent to closing are satisfied pursuant to Sections 6 and 7 of this Agreement. If the Closing has not, for any reason, occurred by the Closing Date, then either Buyer or Seller may terminate this Agreement by delivering written notice to the other at any time after the outside Closing Date; provided, however, that if either party is in default under this Agreement at the time of such termination, then such termination shall not affect the rights and remedies of the non-defaulting party against the defaulting party. In the event the Closing does not occur until after the Closing Date and such failure or delay is not caused or contributed to by Seller, then Buyer shall pay to Seller at Closing the sum of Two Thousand Six Hundred Fifty Dollars (\$2,650.00) (in addition to the Purchase Price).

**4. Seller's Delivery of Real Property and Formation Documents.** Within ten (10) days after the Effective Date, Seller shall deliver to Buyer the following items (collectively, the Property Documents"):

(a) Copies of tax bills.

(b) Such proof of Sellers' authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company.

(c) Seller's written confirmation that there are no leases and rental agreements ("Leases") as to the Real Property or any portion thereof, other than (i) an agreement for rental of one of the two dwelling units on the Real Property with Bernice Corwin, dated as of July 15, 2003, as assigned or sublet to Nancy Allen, Douglas Allen and Doran Allen ("Household No. 1") at a monthly rent of Eight Hundred Dollars (\$800.00), payable in advance of the first day of each calendar month, and (ii) a written agreement between Seller and Rick and Jesse Titus dated as of January 1, 2004, for rental of one of the two dwelling units on the Real Property with Rick Titus, Jesse Titus and Jessica Titus ("Household No. 2") at a monthly rent of Five Hundred Dollars (\$500.00), payable in advance of the first day of each calendar month. Seller consents that Buyer may contact Bernice Corwin, Household No. 1 and Household No. 2 prior to Closing.

5. **Buyer's Right of Entry.** From and after the Opening of Escrow through the earlier to occur of the termination of this Agreement or the Closing, Buyer and Buyer's employees, agents, consultants and contractors shall have the right to enter upon the Real Property during normal business hours, provided reasonable prior notice has been given to Seller.

6. **Buyer's Conditions Precedent and Termination Right.**

(a) **Conditions Precedent.** The Closing and Buyer's obligation to consummate the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent (collectively, "Buyer's Contingencies"), which are for Buyer's benefit only.

(i) **Title Review.** Within seven (7) calendar days after the Opening of Escrow, Seller shall cause the Title Company to deliver to Buyer a preliminary title report (the "Report") describing the title to the Real Property, together with copies of the plotted easements and the exceptions (the "Exceptions") set forth in the Report; provided that the cost of the Report shall be borne by Agency. Seller acknowledges that the Report shall include an endorsement against the effect of any mechanics' liens; Seller will provide such indemnity or other assurances as necessary to induce the Title Company to provide such endorsement. On or before the Contingency Date, Buyer shall have approved in writing, in Buyer's sole discretion, any matters of title disclosed by the following (collectively, the "Title Documents"): (i) the Report; (ii) the Exceptions; (iii) the legal description of the Real Property and (iv) any survey Buyer desires to obtain at Buyer's sole cost and expense. Buyer shall have the same rights to approve or disapprove any exceptions to title that are not created by Buyer and that come into existence after issuance of the Report but prior to Closing. Seller shall, on or before the Closing, remove all deeds of trust, mortgages and delinquent taxes (but not the lien for any real property taxes or assessments not yet delinquent).

(ii) **Buyer's Title Policy.** On or before the Closing, the Title Company shall, upon payment (by Buyer) of the Title Company's premium, have agreed to issue to Buyer, a CLTA owner's policy of title insurance ("Buyer's Title Policy") in the amount of the Purchase Price showing fee title to the Real Property vested solely in Buyer and subject only to the (i) the standard, preprinted exceptions to Buyer's Title Policy; (ii) liens to secure payment of real estate taxes or assessments not yet delinquent; (iii) matters affecting the Real

Property created by or with the written consent of Buyer; and (iv) those matters specifically approved in writing by Buyer. Buyer shall have the right, at its sole cost and expense, to obtain coverage beyond that offered by a CLTA policy; provided, however, that Buyer's ability to obtain such extended coverage shall not be a Buyer's Contingency and Buyer's obligations hereunder shall in no way be conditioned or contingent upon obtaining such extended coverage. Buyer shall have sole responsibility for obtaining, and bearing the cost of, any endorsements and for any survey or other matters required by the Title Company for such extended coverage.

(iii) Physical and Legal Inspections and Studies. On or before the Contingency Date, Buyer shall have approved in writing, in Buyer's reasonable discretion, the results of any physical and legal (but not feasibility or economic) inspections, investigations, tests and studies Buyer elects to make or obtain, including, but not limited to, investigations with regard to zoning, building codes and other governmental regulations; engineering tests; soils, seismic and geologic reports; environmental audits, inspections and studies; environmental investigation or other invasive or subsurface testing; and any other physical or legal inspections and/or investigations as Buyer may elect to make or obtain.

(iv) Natural Hazard Disclosure Statement. Seller shall deliver to Buyer a Natural Hazard Disclosure Statement pursuant to AB 1195 on or before the Contingency Date.

(v) Property and Formation Documents. On or before the Contingency Date, Buyer shall have approved in writing, in Buyer's reasonable discretion, the terms, conditions and status of all of the Property Documents.

(vi) Delivery of Documents. Seller's delivery of all documents described in Section 8, below.

(vii) Representations and Warranties. All representations and warranties of Seller contained in this Agreement shall be materially true and correct as of the date made and as of the Closing.

(viii) Relocation Waivers. Seller shall cause to be duly executed and delivered to Buyer a relocation waiver by each of Bernice Corwin, Household No. 1 and Household No. 2 in the form of Exhibit D hereto.

(ix) No Default. As of the Closing, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(b) Termination Right. Should any of Buyer's Contingencies not be met, Buyer may, by written notice to Seller, terminate this Agreement. If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees. If Buyer has neither terminated this Agreement in writing ("Termination Notice") on or before 5:00 p.m. on the Contingency Date as to the items set forth in Sections 6(a)(i)-(vi) inclusive, nor provided a written satisfaction or waiver notice to Seller of each Buyer's Contingency to be satisfied as of the Contingency Date,

then all such Buyer's Contingencies shall be deemed to have been satisfied and this Agreement shall continue pursuant to its terms. If Buyer has not delivered a Termination Notice as the items set forth in Sections 6(a)(vii)-(viii) inclusive, prior to the Closing, such Buyer's Contingencies shall be deemed to have been satisfied.

(c) **Seller's Cure Right.** Buyer shall notify Seller, in Buyer's Termination Notice, of Buyer's disapproval or conditional approval of any Title Documents. Seller shall then have the right, but not the obligation, to (i) remove from title any disapproved or conditionally approved Exception(s) (or cure such other title matters that are the basis of Buyer's disapproval or conditional approval of the Title Documents) within five (5) business days after Seller's receipt of Buyer's Termination Notice, or (ii) provide assurances reasonably satisfactory to Buyer that such Exception(s) will be removed (or other matters cured) on or before the Closing. With respect to any such Exception, it shall be sufficient for purposes hereof for Seller to commit in writing, within the applicable period, to remove such Exception at or before the Closing. Seller's failure to remove such Exception after committing to do so shall be a default hereunder. An Exception shall be deemed removed or cured if Seller furnishes Buyer with evidence that the Title Company will issue the Buyer's Title Policy, as defined herein, at the Closing deleting such Exception or providing an endorsement (at Seller's expense) reasonably satisfactory to Buyer concerning such Exception. If Seller cannot or does not remove or agree to remove any of the disapproved Exception(s) (or cure other matters) within such five (5) business day period, Buyer shall have three (3) business days after the expiration of such five (5) business day period to give Seller written notice that Buyer elects to proceed with the purchase of the Real Property subject to the disapproved Title Document(s), it being understood that Buyer shall have no further recourse against Seller for such disapproved Title Exception(s). If Buyer does not give such notice within such three (3) business day period, then Buyer shall be deemed to have elected not to proceed with the purchase of the Real Property, and this Agreement shall be deemed terminated.

7. **Seller's Conditions Precedent.** The Closing and Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent ("Seller's Contingencies"), which are for Seller's benefit only:

(i) **Delivery of Documents.** Buyer's delivery of all documents described in Section 9(a), below.

(ii) **No Default.** As of the Closing, Buyer shall not be in default in the performance of any material covenant agreements to be performed by Buyer under this Agreement.

8. **Seller's Deliveries to Escrow Holder.**

(a) **Seller's Delivered Documents.** At least one (1) business day prior to the Closing Date, Seller shall deposit or cause to be deposited with Escrow Holder the following items, duly executed and, where appropriate, acknowledged ("Seller's Delivered Items"):

(i) Deed. The Grant Deed in the form attached hereto as Exhibit B (the "Deed").

(ii) FIRPTA/Tax Exemption Forms. The Transferor's Certification of Non-Foreign Status in the form attached hereto as Exhibit C (the "FIRPTA Certificate"), together with any necessary tax withholding forms, and a duly executed California Form 593-C, as applicable (the "California Exemption Certificate").

(iii) Possession of Real Property. Possession of the Real Property, subject only to those exceptions as may be permitted in writing by Buyer.

(iv) Authority. Such proof of Sellers' authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company.

(v) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

(b) **Failure to Deliver**. Should any of Seller's Delivered Items not be timely delivered to Escrow, Buyer may, by written notice to Seller, terminate this Agreement; provided, however, that Buyer may (but shall not be obligated to) in such notice provide Seller with five (5) business days to deliver all of Seller's Delivered Items. If Buyer's notice provides Seller such five (5) business days to deliver Seller's Delivered Items, and if Seller's Delivered Items are not delivered within such period, then this Agreement shall automatically terminate without further action or notice. In the event of any such termination, any cash deposited by Buyer shall immediately be returned to Buyer. Under no circumstances shall Buyer have any responsibility to or duty to pay consultants or real estate brokers retained by Seller, Seller being solely responsible in connection with any such contractual arrangements of Seller.

**9. Buyer's Deliveries to Escrow**. At least one (1) business day prior to the Closing Date, Buyer shall deposit or cause to be deposited with Escrow Holder the following, each duly executed and acknowledged, by Buyer as appropriate ("Buyer's Delivered Items"):

(i) Funds. The Purchase Price, together with additional funds necessary to pay Buyer's closing costs set forth in Section 10(b) herein; provided, however, that in the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code, as evidenced by the delivery at Closing of the California Exemption Certificate duly executed by Seller, Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer for payment to the California Franchise Tax Board in accordance with Section 11(b) hereof. In the event Seller is not exempt from such withholding or does not otherwise deliver the California Exemption Certificate at Closing, Buyer shall execute and deliver three (3) originals of California Form 597 to Title Company at or immediately after Closing.

(ii) Change of Ownership Report. One (1) original Preliminary Change of Ownership Report.



(iii) Certificate of Acceptance. One (1) original Certificate of Acceptance executed by Buyer to be attached to the Deed.

(iv) Final Escrow Instructions. Buyer's final written escrow instructions to close escrow in accordance with the terms of this Agreement.

(v) Authority. Such proof of Buyer's authority and authorization to enter into this Agreement and to consummate the transaction contemplated hereby as may be reasonably requested by Seller or the Title Company.

(vi) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

#### **10. Costs and Expenses.**

(a) **Seller's Costs.** If the transaction contemplated by this Agreement is consummated, then Seller shall bear the following costs: (i) Seller's share of prorations, and (ii) costs, if any, for such services as Seller may request that Escrow perform on its behalf (which foregoing items collectively constitute "Seller's Costs"). If the transaction contemplated by this Agreement is not consummated, Seller shall bear the cost of those items which are allocated to Seller herein ("Seller's Costs").

(b) **Buyer's Costs.** If the transaction contemplated by this Agreement is consummated, then Buyer shall bear the following costs and expenses: (i) Escrow Holder's fee, (ii) Buyer's share of prorations, (iii) the premium for Buyer's Title Policy and, (iv) (1) document recording fees; if any, and (2) documentary transfer tax, if any (collectively, "Buyer's Costs").

(c) **Generally.** Notwithstanding the foregoing allocation of closing costs and expenses as applicable upon closing, if, through no fault of either Buyer or Seller, Escrow fails to close, the parties shall evenly share Escrow Holder's fees and charges; however, if the transaction fails to close as the result of the default of either party, then such defaulting party shall bear all Escrow Holder's fees and expenses. Each party shall bear the costs of its own attorneys, consultants, and real estate brokers in connection with the negotiation and preparation of this Agreement and the consummation of the transaction contemplated hereby. The items provided in this Section are hereinafter referred to as "General Expenses."

#### **11. Prorations; Withholding.**

(a) All revenues (if any) and expenses relating to the Real Property (including, but not limited to, property taxes, utility costs and expenses, water charges and sewer rents and refuse collection charges) shall be prorated as of the Closing Date. Not less than five (5) business days prior to the Closing, Seller shall deliver to Buyer a tentative schedule of prorations for Buyer's approval (the "Proration and Expense Schedule"). If any prorations made under this Section shall require final adjustment after the Closing, then the parties shall make the appropriate adjustments promptly when accurate information becomes available and

either party hereto shall be entitled to an adjustment to correct the same. Any corrected or adjustment proration shall be paid promptly in cash to the party entitled thereto.

(b) In the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code (the "Tax Code") as evidenced by the delivery to Buyer at Closing of the California Exemption Certificate duly executed by Seller, ~~(i) Title Company shall withhold three and one-third percent (3-1/3%)~~ of the Purchase Price on behalf of Buyer at Closing for payment to the California Franchise Tax Board in accordance with the Tax Code, (ii) Buyer shall deliver three (3) duly executed originals of California Form 597 to Title Company at or immediately after Closing, (iii) two (2) executed originals of California Form 597 shall be delivered by Title Company to Seller, and (iv) on or before the 20<sup>th</sup> day of the month following the month title to the Real Property is transferred to Buyer (as evidenced by the recording of the Deed), Title Company shall remit such funds withheld from the Purchase Price, together with one (1) executed original of California Form 597 to the California Franchise Tax Board on behalf of Buyer. Buyer and Seller hereby appoint Title Company as a reporting entity under the Tax Code, authorized to withhold and remit the withholding tax contemplated under the Tax Code, together with such other documents required by the Tax Code (including, without limitation, California Form 597), to the California Franchise Tax Board.

**12. Closing Procedure.** When the Title Company is ready to issue the Buyer's Title Policy and all required documents and funds have been deposited with Escrow Holder, Escrow Holder shall immediately close Escrow in the manner and order provided below.

(a) **Recording.** Escrow Holder shall cause the Deed to be recorded pursuant to applicable law in the county in which the Real Property is located and obtain conformed copies thereof for distribution to Buyer and Seller.

(b) **Disburse Funds.** Escrow Holder shall debit or credit (as provided herein) all Buyer's Costs, Seller's Costs and General Expenses, prorate matters and withhold funds as provided herein. The Purchase Price, less any applicable debits or credits (as provided herein) shall be distributed to Rozella J. Krohne unless Escrow Holder is instructed otherwise in writing signed by Rozella J. Krohne (and, in such event, in accordance with such instructions).

(c) **Documents to Seller.** Escrow Holder shall deliver to Seller a conformed copy of the Deed; and each other document (or copies thereof) deposited into Escrow by Buyer pursuant hereto.

(d) **Documents to Buyer.** Escrow Holder shall deliver to Buyer the original FIRPTA Certificate, the original California Exemption Certificate (as applicable), a conformed copy of the Deed, the Report, and each other document (or copies thereof) deposited into Escrow by Seller pursuant hereto, including, without limitation, those documents referenced in Section 8.

(e) **Title Company.** Escrow Holder shall cause the Title Company to issue the Buyer's Title Policy to Buyer.

(f) **Closing Statement.** Escrow Holder shall forward to both Buyer and Seller a separate accounting of all funds received and disbursed for each party.

(g) **Informational Reports.** Escrow Holder shall file any information reports required by Internal Revenue Code Section 6045(e), as amended.

(h) **Possession.** Possession of the Real Property shall be delivered to Buyer at the Closing; provided that Buyer is prepared to enter into a rental agreement for occupancy up to June 30, 2004 (in the form of Exhibit E hereto) with Household No. 1 and Household No. 2 as provided under this Agreement.

(i) **Representations and Warranties.**

(j) **Seller's Representations and Warranties.** In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Real Property, Seller makes the following representations and warranties as of the Effective Date and as of the Closing, each of which is material and is being relied upon by Buyer (and the truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder), and all of which shall survive Closing:

(i) Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(ii) All requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby. By the Closing no additional consent of any individual, director, manager, shareholder, partner, member, trustee, trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority or other party shall be required for Buyer to consummate the transaction contemplated by this Agreement.

(iii) The individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

(iv) Neither the execution or delivery of this Agreement or the documents or instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement or the documents or instruments referenced herein or therein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease or other agreement or instrument to which Seller is a party or that affect the Real Property, including, but not limited to, any of the Title Documents or the Property Documents.

(v) There is no pending litigation nor, to the best of Seller's knowledge, threatened litigation, which does or will adversely affect the Real Property.

(vi) There are no actions or proceedings pending or, to the best of Seller's knowledge, threatened against Seller, before any court or administrative agent in any way connected with or relating to the Real Property, or affecting Seller's ability to fulfill all of its obligations under this Agreement.

(vii) Seller has made no written or oral commitments to or agreements with any governmental authority or agency materially and adversely affecting the Real Property, or any part hereof, or any interest therein, which will survive the Closing. Seller has entered into no understanding or agreement with any taxing or assessing authority respecting the imposition or deferment of any taxes or assignments respecting the Real Property.

(viii) To the best of Seller's knowledge, Seller is not in default of its obligations under any contract, agreement or instrument to which Seller is a party pertaining to the Real Property. To the best of the Seller's knowledge, no document supplied to Buyer by Seller contains any untrue statement of a material fact, and no document omits any facts that would be necessary, in the circumstances, to make the document supplied not misleading.

(ix) There are no mechanics', materialmen's or similar claims or liens presently claimed or which will be claimed against the Real Property for work performed or commenced for Seller or on Seller's behalf prior to the date of this Agreement. Seller agrees to hold Buyer harmless from all costs, expenses, liabilities, losses, charges, and fees, including attorney fees, arising from or relating to any such lien or any similar lien claims against the Real Property and arising from work performed or commenced for Seller or on Seller's behalf prior to Closing.

(x) There are no undisclosed contracts, licenses, commitments, undertakings or other written or oral agreements for services, supplies or materials concerning the use, operation, maintenance, or management of the Real Property that will be binding upon Buyer or the Real Property after the Closing. There are no oral contracts or other oral agreements for services, supplies or materials, affecting the use, operation, maintenance or management of the Real Property.

(xi) There are not as of the Effective Date of this Agreement, nor will there be as of the Closing, any written or oral leases or contractual right or option to lease, purchase, or otherwise enjoy possession, rights or interest of any nature in and to the Real Property or any part thereof, and no person other than Buyer shall have any right of possession to the Real Property or any part thereof as of the Closing.

(xii) No person, excepting Seller and, to the extent described in subsection (c) of Section 4 of this Agreement, Household No. 2 and Household No. 1 (and Bernice Corwin), has possession or any rights to possession of the Real Property or portion thereof.

(k) **Subsequent Changes to Seller's Representations and Warranties.** If, prior to the Closing, Buyer or Seller should learn, discover or become aware of any existing or

new item, fact or circumstance which renders a representation or warranty of Seller set forth herein incorrect or untrue in any respect (collectively, the "Seller Representation Matter"), then the party who has learned, discovered or become aware of such Representation Matter shall promptly give written notice thereof to the other party and Seller's representations and warranties shall be automatically limited to account for the Representation Matter. Buyer shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Seller if Buyer reasonably disapproves any such change. If Buyer does not elect to terminate this Agreement, Seller's representation shall be qualified by such Seller Representation Matter and Seller shall have no obligation to Buyer for such Seller Representation Matter.

(l) **Buyer's Representations and Warranties.** In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Real Property, Buyer makes the following representations and warranties as of the date hereof and at and as of the Closing, each of which is material and is being relied upon by Seller (and the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder), and all of which shall survive Closing:

(i) Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(ii) All requisite governmental action has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby. By the Closing no additional consent of any individual, judicial or administrative body, governmental authority or other party shall be required for Seller to consummate the transaction contemplated by this Agreement.

(iii) The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

(iv) Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party or by which any of Buyer's properties are bound.

(m) **Subsequent Changes to Buyer's Representations and Warranties.** If, prior to the Closing, Seller or Buyer should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Buyer set forth herein incorrect or untrue in any respect (collectively, the "Buyer's Representation Matter"), then the party who has learned, discovered or become aware of such Buyer's Representation

Matter shall promptly give written notice thereof to the other party and Buyer's representations and warranties shall be automatically limited to account for the Buyer's Representation Matter. Seller shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Buyer if Seller reasonably disapproves any such change. If Seller does not elect to terminate this Agreement, Buyer's representation shall be qualified by such Buyer's Representation Matter and Buyer shall have no obligation to Seller for such Buyer's Representation Matter.

**13. "AS IS" Sale.** As a material inducement to the execution and delivery of this Agreement by Seller and the performance by Seller of its duties and obligations hereunder, Buyer does hereby acknowledge, represent, warrant and agree that except as specifically provided in this Agreement, Buyer is purchasing the Real Property in an "AS-IS" condition as of the Closing Date. Buyer further acknowledges that the period of time between the Effective Date and the Contingency Date is an adequate amount of time for Buyer to conduct its investigations regarding the Real Property.

**14. General Provisions.**

**(a) Condemnation.** If any material portion of the Real Property shall be taken or appropriated by a public or quasi public authority exercising the power of eminent domain, Buyer shall have the right, at its option, to (i) terminate this Agreement or (ii) proceed with the purchase of the Real Property and receive all of the award or payment made in connection with such taking.

**(b) Notices.** All notices, demands, requests or other communications required or permitted hereunder (collectively, "Notices") shall be in writing, shall be addressed to the receiving party as provided in the Basic Term section above, and shall be personally delivered, sent by overnight mail (Federal Express or another carrier that provides receipts for all deliveries), sent by certified mail, postage prepaid, return receipt requested, or sent by facsimile transmission (provided that a successful transmission report is received). All Notices shall be effective upon receipt at the appropriate address. Notice of change of address shall be given by written notice in the manner detailed in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no Notice in accordance with this Section was given shall be deemed to constitute receipt of such Notice. The providing of copies of Notices to the parties' respective counsels is for information only, is not required for valid Notice and does not alone constitute Notice hereunder.

**(c) Brokers.** Seller assumes sole responsibility for any consultants or brokers ("Seller's Agents") it may have retained in connection with the sale of the Real Property (and Agency shall have no responsibility in connection with such matters). Buyer and Seller each represent to the other that, except for Seller's Agents (as to whom Seller shall solely be responsible), no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity in connection with this Agreement. Each party agrees to and does hereby indemnify and hold the other free and harmless from and against any and all costs, liabilities or causes of action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in connection with this Agreement. Seller may direct the Escrow Agent to

make payment to Seller's Agents in amounts to be determined from moneys payable to Seller in escrow.

(d) **Waiver, Consent and Remedies.** Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Buyer's performance hereunder, as appropriate, and ~~any breach thereof by Buyer or Seller shall be deemed a material default hereunder.~~ Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, either party hereto may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

(e) **Cooperation.** Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use all reasonable efforts to accomplish the Closing in accordance with the provisions hereof.

(f) **Attorney's Fees.** In the event any declaratory or other legal or equitable action is instituted between Seller, Agency and/or Escrow Agent in connection with this Agreement, then as between Agency and Seller the prevailing party shall be entitled to recover from the losing party all of its costs and expenses including court costs and reasonable attorney's fees, and all fees, costs and expenses incurred on any appeal or in collection of any judgment.

(g) **Time.** Time is of the essence of every provision herein contained. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, or legal holiday, in which case the period shall be deemed to run until 5:00 p.m. of the next day that is not a Saturday, Sunday, or legal holiday. Except as otherwise expressly provided herein, all time periods expiring on a specified date or period herein shall be deemed to expire at 5:00 p.m. on such specified date or period.

(h) **Counterparts; Facsimile Signatures.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. A facsimile signature shall be deemed an original signature.

(i) **Captions.** Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(j) **No Obligations to Third Parties.** Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties to this Agreement to, any person or entity other than the parties hereto.

(k) **Amendment to this Agreement.** The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

(l) **Waiver.** The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(m) **Applicable Law.** This Agreement shall be governed by and construed in accordance with the local law of the State of California.

(n) **Exhibits and Schedules.** The exhibits and schedules attached hereto are incorporated herein by this reference for all purposes.

(o) **Entire Agreement.** This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between, and the final expression of, Buyer and Seller with respect to the subject matter hereof. The parties hereto expressly agree and confirm that this Agreement is executed without reliance on any oral or written statements, representations or promises of any kind which are not expressly contained in this Agreement. No subsequent agreement, representation or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(p) **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

(q) **Assignment.** This Agreement may not be assigned without the prior written consent of the other party hereto, which consent shall not unreasonably be withheld.

(r) **Relocation Waiver.** This Agreement deals fully and comprehensively with any relocation benefits or assistance for Seller arising from or in connection with the sale of the Real Property and the cessation of Seller's rights to the Real Property.

SELLER, ROZELLA J. KROHNE, HAS BEEN ADVISED BY COUNSEL OF HIS/HER CHOOSING REGARDING POTENTIAL RELOCATION BENEFITS IN CONNECTION WITH THE ACQUISITION OF THE REAL PROPERTY BY THE BUYER, WHICH IS A PUBLIC AGENCY. IN CONSIDERATION OF RECEIPT OF "AGENCY'S"



AGREEMENT TO PAY, IN ADDITION TO THE PURCHASE PRICE OF TWO HUNDRED THIRTY-SEVEN THOUSAND THREE HUNDRED FIFTY DOLLARS (\$237,350.00) FOR THE PROPERTY, AND THE PAYMENT OF CERTAIN ADDITIONAL AMOUNTS FOR CLOSING COSTS, SELLER RELEASES ANY CLAIMS FOR RELOCATION BENEFITS, RELOCATION ASSISTANCE AND COMPENSATION FOR GOODWILL, LOSS OF USE OF THE SUBJECT PROPERTY, AND ANY AND ALL CLAIMS RELATED TO THE REAL PROPERTY AND THE VACATION AND RELINQUISHMENT THEREOF BY "SELLER."

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Rozella J. Krohne

(s) **Nondiscrimination.** There shall be no discrimination against, or segregation of, any person or group of persons on account of race, color, creed, sex, marital status, national origin, religion or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Real Property, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Real Property.

[signatures begin on the following page]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first written above.

**“SELLER”**

**ROZELLA J. KROHNE**

By: \_\_\_\_\_  
Rozella J. Krohne, an individual

**“BUYER”**

**LOMA LINDA REDEVELOPMENT AGENCY,**  
a public body corporate and politic

By: \_\_\_\_\_  
Dennis R. Halloway  
Its: Executive Director

**ATTEST:**

\_\_\_\_\_  
Pamela Byrnes-O’Camb  
Agency Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Stradling Yocca Carlson & Rauth,  
Agency Counsel

Acceptance by Escrow Holder:

First American Title Company hereby acknowledges that it has received a fully executed copy of the foregoing Purchase and Sale Agreement and Joint Escrow Instructions by and between Rozella J. Krohne, an individual ("Seller"), and the Loma Linda Redevelopment Agency, a public body corporate and politic, as Buyer, and agrees to act as Escrow Holder thereunder and to be bound by and strictly perform the terms thereof as such terms apply to Escrow Holder.

Dated: \_\_\_\_\_, 2004

FIRST AMERICAN TITLE COMPANY

By: \_\_\_\_\_

Name: : \_\_\_\_\_

Its: : \_\_\_\_\_

**EXHIBIT A**  
**LEGAL DESCRIPTION**

Real property in the City of Loma Linda, County of San Bernardino, State of California, described as follows:

PARCEL NO. 1:

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APN: 0283-141-66-0-000

PARCEL NO. 2:

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APN: 0283-141-19-0-000

**EXHIBIT B**

**DEED**

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

Stradling Yocca Carlson & Rauth  
660 Newport Center Drive  
Suite 1600  
Newport Beach, California 92660  
Attn: Mark J. Huebsch, Esq.

APN: 0283-141-66-0-000  
APN: 0283-141-19-0-000

[Space above for recorder.]

Exempt from recording fee and documentary  
transfer tax pursuant to Government Code Section  
27283.

**GRANT DEED**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, ROZELLA J. KROHNE, an individual ("Grantor"), hereby grants to the Loma Linda Redevelopment Agency, a public body corporate and politic, that certain real property located in the County of San Bernardino, State of California, more particularly described on **Attachment No. 1** attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of \_\_\_\_\_, 2004.

**ROZELLA J. KROHNE**, an individual

By: \_\_\_\_\_  
Rozella J. Krohne

**ATTACHMENT NO. 1 TO GRANT DEED**

**LEGAL DESCRIPTION**

Real property in the City of Loma Linda, County of San Bernardino, State of California, described as follows:

PARCEL NO. 1:

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APN: 0283-141-66-0-000

PARCEL NO. 2:

---

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APN: 0283-141-19-0-000

STATE OF CALIFORNIA

)

) ss.

COUNTY OF SAN BERNARDINO

)

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public,  
(Print Name of Notary Public)

personally appeared \_\_\_\_\_,

☐

personally known to me

-or-

☐

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature Of Notary

### OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

#### CAPACITY CLAIMED BY SIGNER

☐ Individual

☐ Corporate Officer

\_\_\_\_\_  
Title(s)

☐ Partner(s)

☐ Limited

☐ General

☐ Attorney-In-Fact

☐ Trustee(s)

☐ Guardian/Conservator

☐ Other:  
\_\_\_\_\_

Signer is representing:

Name Of Person(s) Or Entity(ies)  
\_\_\_\_\_  
\_\_\_\_\_

#### DESCRIPTION OF ATTACHED DOCUMENT

\_\_\_\_\_  
Title Or Type Of Document

\_\_\_\_\_  
Number Of Pages

\_\_\_\_\_  
Date Of Document

\_\_\_\_\_  
Signer(s) Other Than Named Above

**CERTIFICATE OF ACCEPTANCE**

This is to certify that the fee interest in real property conveyed under the foregoing Grant Deed by Rozella J. Krohne, an individual, as to the following property:

PARCEL NO. 1:

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APN: 0283-141-66-0-000

PARCEL NO. 2:

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APN: 0283-141-19-0-000

is hereby accepted by the Executive Director of the LOMA LINDA REDEVELOPMENT AGENCY on behalf of the Agency Board pursuant to authority conferred by Resolution No. \_\_\_\_ of said Agency Board adopted on April 13, 2004, and the Grantee consents to recordation thereof by its duly authorized officer.

**LOMA LINDA REDEVELOPMENT AGENCY,**  
a public body corporate and politic

Dated: \_\_\_\_\_, 2004

By: \_\_\_\_\_  
Dennis R. Holloway  
Its: Executive Director

**ATTEST:**

\_\_\_\_\_  
Pamela Byrnes-O'Camb  
Agency Secretary



## EXHIBIT C

### FIRPTA Certificate

#### TRANSFEROR'S CERTIFICATE OF NON-FOREIGN STATUS

To inform the Loma Linda Redevelopment Agency ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended ("Code") will not be required upon the transfer of certain real property to the Transferee by Rozella J. Krohne, an individual ("Transferor"), the undersigned hereby certify the following:

1. The Transferor, Rozella J. Krohne, an individual, is not a foreign person or citizen, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);

2. The social security number(s) or U.S. employer identification number(s) are as follows: for Rozella J. Krohne: \_\_\_\_\_.

3. The Transferors' home or office address is:

25472 Van Leuven Street  
Loma Linda, California 92354

The Transferor, Rozella J. Krohne, an individual, understands that this certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment or both. Under penalty of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document.

**ROZELLA J. KROHNE**

---

Rozella J. Krohne, an individual

## EXHIBIT D-1

### RELOCATION WAIVER

This **RELOCATION WAIVER** ("Waiver") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2004 by the undersigned Rick Titus, Jesse Titus and Jessica Titus (collectively, "Tenant") in favor of the Loma Linda Redevelopment Agency, a public body, corporate and politic ("Agency").

#### RECITALS

A. Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of April 13, 2004 ("Agreement"), Rozella J. Krohne ("Seller") has offered to sell to Agency that real property commonly known as 10807 Poplar Street, Loma Linda, California; APN 0283-141-66-0-000 and legally described on Exhibit "A" attached thereto ("Real Property").

B. Agency desires to buy from Seller the Real Property, free and clear of encumbrances, as more specifically described in the Agreement.

C. Agency and Seller mutually desire that Tenant execute this Waiver as a condition precedent to the closing of the sale of the Real Property.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Tenant agrees as follows:

1. **Relocation Waiver.** Tenant agrees to relinquish all rights to relocation benefits or assistance arising from or in connection with the sale of the Real Property and the cessation of Tenant's rights to the Real Property in consideration of Tenant's receipt of certain benefits from Seller ("Seller Benefits") as follows:

a) During such period, if any, that Agency shall own the Real Property prior to June 30, 2004 (but not later), Tenant may occupy the Real Property under the terms of the Rental Agreement attached hereto as Attachment No. 1; and

b) Agency shall provide Tenant with a cash payment of One Thousand Three Hundred Twenty-Five Dollars (\$1,325.00) (the "Relocation Amount").

2. **Acknowledgment.** This Waiver deals fully and comprehensively with any relocation benefits or assistance for Tenant arising from or in connection with the sale of the Real Property and the cessation of Tenant's rights to the Real Property.

TENANT HAS BEEN ADVISED BY AN ADVISOR OF ITS CHOOSING REGARDING POTENTIAL RELOCATION BENEFITS IN CONNECTION WITH THE ACQUISITION OF THE REAL PROPERTY BY THE BUYER, WHICH IS A PUBLIC AGENCY. TENANT AGREES TO AND ACCEPTS THE SELLER BENEFITS SET FORTH IN SECTION 1 OF THIS WAIVER AS A SETTLEMENT OF ANY POTENTIAL CLAIM FOR RELOCATION BENEFITS AND/OR RELOCATION ASSISTANCE BY TENANT, TENANT RELEASES ANY CLAIMS FOR

RELOCATION BENEFITS, RELOCATION ASSISTANCE AND COMPENSATION FOR GOODWILL, LOSS OF USE OF THE SUBJECT PROPERTY, AND ANY AND ALL CLAIMS RELATED TO THE REAL PROPERTY AND THE VACATION AND RELINQUISHMENT THEREOF BY "TENANT."

**"TENANT"**

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Rick Titus

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Jesse Titus

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Jessica Titus

**Exhibit "A"**

**Real Property**

**Attachment No. 1**

**Rental Agreement**

## EXHIBIT D-2

### RELOCATION WAIVER

This **RELOCATION WAIVER** ("Waiver") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2004 by the undersigned Bernice Corwin ("Former Occupant"), Nancy Allen, Douglas Allen and Doren Allen (collectively, "Tenant") in favor of the Loma Linda Redevelopment Agency, a public body, corporate and politic ("Agency").

### RECITALS

A. Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of April 13, 2004 ("Agreement"), Rozella J. Krohne ("Seller") has offered to sell to Agency that real property commonly known as 10809 Poplar Street, Loma Linda, California, APN 0283-141-19-0-000 and legally described on Exhibit "A" attached thereto ("Real Property").

B. Agency desires to buy from Seller the Real Property, free and clear of encumbrances, as more specifically described in the Agreement.

C. Agency and Seller mutually desire that each of Former Occupant and Tenant execute this Waiver as a condition precedent to the closing of the sale of the Real Property.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of Former Occupant and Tenant agree as follows:

1. **Relocation Waiver.** Each of Former Occupant and Tenant agree to relinquish all rights to relocation benefits or assistance arising from or in connection with the sale of the Real Property and the cessation of any and all rights of the Former Occupant and the Tenant to the Real Property in consideration of Tenant's receipt of certain benefits from Seller ("Seller Benefits") as follows:

a) During such period, if any, that Agency shall own the Real Property prior to June 30, 2004 (but not later), Tenant may occupy the Real Property under the terms of the Rental Agreement attached hereto as Attachment No. 1; and

b) Agency shall provide Tenant and Former Occupant with one cash payment of One Thousand Three Hundred Twenty-Five Dollars (\$1,325.00) (the "Relocation Amount") to be allocated among Former Occupant and Tenant in a manner of their choosing. Former Occupant and Tenant will deliver to the Agency in writing their proposed allocation of the Relocation Amount on or before April 20, 2004. In the absence of the receipt of such proposed allocation, Agency will disburse the Relocation Amount as follows: \$100.00 to Former Occupant and \$1,225.00 to Tenant. The Relocation Amount shall be payable within three (3) working days after the later of (i) the vacation of the Real Property by the Tenant or (ii) the conveyance of the Real Property by Seller to Agency.

2. **Acknowledgment.** This Waiver deals fully and comprehensively with any relocation benefits or assistance for each of Former Occupant and Tenant arising from or in connection with the sale of the Real Property and the cessation of Tenant's and Former Occupant's rights to the Real Property.

EACH OF FORMER OCCUPANT AND TENANT HAS BEEN ADVISED BY AN ADVISOR OF ITS CHOOSING REGARDING POTENTIAL RELOCATION BENEFITS IN CONNECTION WITH THE ACQUISITION OF THE REAL PROPERTY BY THE BUYER, WHICH IS A PUBLIC AGENCY. EACH OF FORMER OCCUPANT AND TENANT AGREE TO AND ACCEPTS THE SELLER BENEFITS SET FORTH IN SECTION 1 OF THIS WAIVER AS A SETTLEMENT OF ANY POTENTIAL CLAIM FOR RELOCATION BENEFITS AND/OR RELOCATION ASSISTANCE BY TENANT AND FORMER OCCUPANT, EACH OF FORMER OCCUPANT AND TENANT RELEASES ANY CLAIMS FOR RELOCATION BENEFITS, RELOCATION ASSISTANCE AND COMPENSATION FOR GOODWILL, LOSS OF USE OF THE SUBJECT PROPERTY, AND ANY AND ALL CLAIMS RELATED TO THE REAL PROPERTY AND THE VACATION AND RELINQUISHMENT THEREOF BY "TENANT" AND "FORMER OCCUPANT."

**"TENANT"**

\_\_\_\_\_  
Nancy Allen

\_\_\_\_\_  
Douglas Allen

\_\_\_\_\_  
Doren Allen

**"FORMER OCCUPANT"**

\_\_\_\_\_  
Bernice Corwin

**Exhibit “A”**

**Real Property**



**Attachment No. 1**

**Rental Agreement**

## EXHIBIT E

### RENTAL AGREEMENT

THIS RENTAL AGREEMENT ("Rental Agreement"), is made and entered into as of the day of \_\_\_\_\_, 2004, by and between the LOMA LINDA REDEVELOPMENT AGENCY, a public body, corporate and politic ("Landlord"), and \_\_\_\_\_ ("Tenant").

#### RECITALS

A. Landlord holds title to certain real property located in the City of Loma Linda, County of San Bernardino, State of California, more particularly described in Attachment No. 1 attached hereto and incorporated herein by this reference (the "Rental Property").

B. On \_\_\_\_\_, 2004, Landlord, purchased the Rental Property from Rozella J. Krohne (the "Seller") pursuant to a Purchase and Sale Agreement and Joint Escrow Instructions dated as of April 13, 2004 (the "Purchase Agreement"). The Purchase Agreement is on file with the Agency as a public record. A copy of the Purchase Agreement is on file with Landlord as a public record and is incorporated herein by reference.

C. The Purchase Agreement contemplates the rental of the Rental Property by Landlord to Tenant on the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants, conditions and agreements contained herein to be done, kept and performed, Landlord and Tenant do hereby agree as follows:

1. RENTAL PROPERTY. Landlord does hereby demise and rent to Tenant, and Tenant does hereby rent from Landlord the Rental Property under the terms and conditions hereinafter provided in this Rental Agreement.

2. TERM. The term ("Term") of this Rental Agreement shall commence as of the "Closing" (as defined in the Purchase Agreement) and shall continue to June 30, 2004 or earlier at the election of Tenant. There shall be no extensions of the Term.

3. USE OF RENTAL PROPERTY - COMPLIANCE WITH GOVERNMENTAL REGULATIONS.

3.1 Use. Tenant must use the Rental Property only for residential occupancy by Tenant. Tenant agrees not to conduct or permit to be conducted any public or private nuisance on or from the Rental Property, or to commit or permit to be committed any waste upon the Rental Property.

3.2 Observance of Governmental Regulations. Tenant shall comply with all laws, orders, rules, regulations, ordinances and requirements of the Federal, State, County and City governments and all other governmental authorities, affecting the Rental Property, or any part thereof.

3.3 Quiet Enjoyment. Landlord agrees that so long as Tenant shall perform the obligations of Tenant contained herein and shall not be in default in the performance of any of such covenants, that Tenant shall freely, peaceably, and quietly have, hold and enjoy the full and exclusive use and enjoyment of the Rental Property during the Term; provided that Tenant agrees to cooperate in the event Landlord desires to show the Rental Property from time to time on 24 hours' notice during normal business hours.

4. RENTAL. Base Rent for each month or portion thereof ending as of June 30, 2004, shall be the sum of Zero Dollars (\$0.00)(the "Base Rent").

5. TAXES AND ASSESSMENTS.

5.1 Payment of Taxes and Assessments. Tenant agrees to pay or cause to be paid, before delinquency, any and all taxes, assessments, license fees and public charges levied, assessed or imposed or which may become payable during the term hereof upon the Rental Property and any improvements thereon and upon all furnishings, appliances, equipment and all other personal property installed or located on the Rental Property, including, but not limited to, any possessory use tax but not property taxes, if any, based upon fee ownership of the Rental Property and not a possessory interest with respect to the Rental Property.

6. REPAIRS AND MAINTENANCE. Tenant agrees that Landlord shall be under no obligation to repair, rebuild or replace the improvements during the term of the Rental Agreement or any renewal thereof, and Tenant shall, at Tenant's sole cost and expense, keep and maintain the Rental Property in good order, condition and repair. Tenant waives any provisions of law that may require any duty of repair by Landlord or permit Tenant to make repairs at the expense of Landlord.

7. UTILITIES. During the term hereof, Tenant agrees to pay when due and to hold Landlord harmless from any liability for all charges for water, sewage, gas, electricity and all other utility services of every kind and nature supplied to and used on the Rental Property.

8. INSURANCE AND INDEMNITY.

8.1 Indemnity. Landlord shall not be liable for, and Tenant shall hold Landlord, and Landlord's members, employees and representatives, free and harmless from, any loss, damage or injury to the property or person of any person whomsoever at any time occasioned by or arising out of any act, activity or omission of Tenant or of anyone holding under Tenant, the occupancy or use of the Rental Property or any part thereof by or under Tenant, or any state or condition of the Rental Property or any part thereof and any subletting or assignments as to the Rental Property or this Rental Agreement (including without limitation such obligations, if any, as may arise in connection therewith for provision of relocation benefits and assistance by Landlord or the City of Loma Linda).

8.2 No Casualty Insurance. Landlord will not be maintaining casualty insurance as to the Rental Property. Tenant may, at its option (and at its cost), obtain renter's insurance.

9. ASSIGNMENT AND SUBLETTING PROHIBITED. This Rental Agreement may not be assigned, sublet or transferred under any circumstances without the prior written consent of Landlord, which consent may be given or withheld in its sole and absolute discretion.

10. DAMAGE. If any improvements located on the Rental Property be damaged or destroyed during term of this Rental Agreement by any casualty then at the written election of either Landlord or Tenant, this Rental Agreement shall terminate. If neither party elects to terminate this Rental Agreement, Tenant shall, subject to any unavoidable delay, repair and/or rebuild the same to substantially the condition in which the same were immediately prior to such damage or destruction. ~~The complete work of repair, restoration, or replacement shall be equal in value, quality, and use to~~ the condition of the improvements before the event giving rise to the work, except as expressly provided to the contrary in this Rental Agreement.

Upon termination of this Rental Agreement, Landlord and Tenant shall be released without further obligation to the other, except for items, liabilities or obligations which have heretofore accrued and are then unpaid or unperformed. Notwithstanding anything contained in this Rental Agreement to the contrary, in the event of a termination of the Rental Agreement pursuant to this Paragraph 10, any insurance proceeds payable to Tenant shall be paid to Landlord, in which event Tenant shall be relieved of any obligation to restore the Rental Property to its natural state.

11. CONDEMNATION.

11.1 Event of Condemnation. If, during the term of this Rental Agreement there is a taking, or transfer of, or damage to all or any part of the Rental Property for a public use by any individual or entity, public or private, possessing the power of eminent domain, whether by a condemnation proceeding or otherwise ("taking, transfer and damage" herein), the rights and obligations of Landlord and Tenant, with regard to such taking, transfer or damage shall be governed by the provisions set forth in this paragraph 11. In the event either party hereto receives actual or constructive notice of any acts on the part of an entity possessing the power of eminent domain, which would cause or allow any of the provisions hereof to be invoked, then and in that event, such party shall immediately notify the other party, in writing, of such information.

11.2 "Date of Taking." The date of taking, as used hereafter, is defined as the earliest of the following dates:

(a) the date legal possession is taken, which is defined as the date, if any, after which the condemn or may take possession of the Rental Property, as stated in an order authorizing the condemn or to take possession;

(b) the date a final order of condemnation or final judgment is filed or recorded or the date a deed is recorded in the event of a transfer;

(c) the date that physical possession of the Rental Property is taken.

11.3 Termination. This Rental Agreement shall, as to the part transferred or taken, terminate as of the date of taking as herein defined, and the rent payable hereunder shall be adjusted so that Tenant shall be required to pay for only such portion of such rent as the value of the part remaining after the taking bears to the value of the entire Rental Property at the date of taking.

In the event only a portion of the Rental Property is taken or transferred and the part remaining is not, in Tenant's opinion, susceptible to the use to which Tenant had put the Rental Property prior to such taking or transfer, or if no land is actually taken but the entire property is

damaged by reason of the taking of access rights or similar valuable property rights so that the entire remainder is not susceptible to such use, as reasonably determined by Tenant, then this Rental Agreement may be terminated at the option of Tenant by written notice. Such option to terminate must be exercised within thirty (30) days of the earlier of the following dates:

- (a) ~~The date legal possession or physical possession is taken;~~
- (b) The date the entire Rental Property is damaged, as herein defined.

Such termination shall be effective as of the date of the taking as herein provided.

11.4 Right to Award. In the event that an award is made for an entire or partial taking or for damages to the Rental Property or any interest therein in any action in direct or inverse condemnation, the parties hereto agree that their respective right to the award or the compensation paid shall be as follows:

- (a) Landlord shall be entitled to such portion of the award as may be allocated to the building, improvements and fixtures;
- (b) Landlord shall be entitled to that portion of the award allocated to the land exclusive of Tenant's improvements thereon;
- (c) Landlord is assigned by Tenant any rights of Tenant to any compensation for loss of goodwill as provided in California Code of Civil Procedure, Section 1263.510; and
- (d) Any interest paid on the award in condemnation shall be allocated to Landlord.

12. DEFAULT. Any and all of the following events shall be considered an event of default of this Rental Agreement:

- (a) Default in the payment of any installments of rent or other sums after five (5) days written notice thereof from Landlord; or
- (b) Failure to perform or breach of any other covenant, condition or restriction provided in this Rental Agreement to be kept or performed after ten (10) days written notice thereof from Landlord;
- (c) If Tenant be adjudicated bankrupt or insolvent, or if a receiver be appointed of the business or of the assets of Tenant, except a receiver appointed at the instance or request of Landlord, or if Tenant makes a general assignment for the benefit of its creditors.

13. REMEDIES IN THE EVENT OF DEFAULT. Upon the default of Tenant, Landlord at its option shall have the right to:

- (a) Continue this Rental Agreement in effect without terminating Tenant's right to possession, even though Tenant has breached this Rental Agreement and abandoned

the Rental Property, and enforce all of Landlord's rights and remedies under this Rental Agreement, including the right to recover, by suit or otherwise, all sums and installments required to be paid in accordance with the provisions of this Rental Agreement, or other monetary performance as it becomes due hereunder, or to enforce, by suit or otherwise, any other term or provision hereof on the part of Tenant required to be performed, it being specifically agreed that the aggregate unpaid indebtedness shall bear simple interest until paid at the highest rate so allowed by law; provided, however, that Landlord may, at any time thereafter, elect to terminate this Rental Agreement for such previous breach by notifying Tenant, in writing, that Tenant's right to possession of the Rental Property has been terminated; or

(b) Immediately terminate Tenant's right to possession of the Rental Property and repossess the same by summary proceedings or appropriate action, and Landlord shall thereupon be entitled to receive from Tenant the rent set forth in Section 4, above and any "Holdover Rent" (as defined in Section 15, below, if applicable);

Upon terminating Tenant's right to possession of the Rental Property, the Landlord may, without further notice or demand, re-enter and take possession and, subject to the other provisions of this Rental Agreement pertaining thereto, remove Tenant, and Tenant shall quit and surrender possession of the Rental Property.

(c) To the extent then permitted by law, Landlord may re-enter the Rental Property, eject all persons, and, without terminating this Rental Agreement, at any time and from time to time, re-enter the Rental Property or any part or parts thereof for the account of Tenant or otherwise. Landlord shall receive and collect the rents, applying them first to the payment of such expenses (including attorneys' fees of brokers' commissions or both) as it may have paid or incurred in recovering possession, placing the Rental Property in good condition, and preparing or altering the Rental Property for reletting, and then apply them to the fulfillment of Tenant's covenants. Any such reletting may be for the remainder of the term of this Rental Agreement or for a longer or shorter period. Landlord may execute any lease(s) made under this article and shall be entitled to all rents from such subleases, licenses, and concessions. Landlord may proceed to collect these sums, or any installment or installments of them, either before or after the expiration of the term of this Rental Agreement. Re-entry by Landlord shall be deemed to constitute an election to terminate this Rental Agreement whether or not Landlord gives Tenant written notice of Landlord's election to terminate.

14. WAIVER OF RELOCATION BENEFITS. The Purchase Agreement deals fully and comprehensively with any relocation benefits or assistance for Tenant arising from the cessation of Tenant's rights to the Rental Property, both as to any fee interest and the rights of Tenant under this Rental Agreement. The Purchase Agreement has provided, in part:

SELLER HAS BEEN ADVISED BY AN ADVISER OF HIS CHOOSING REGARDING POTENTIAL RELOCATION BENEFITS IN CONNECTION WITH THE ACQUISITION OF THE SUBJECT PROPERTY BY THE "BUYER," WHICH IS A PUBLIC AGENCY. IN CONSIDERATION OF RECEIPT OF "AGENCY'S" AGREEMENT TO PAY THE TOTAL AGREED UPON CONSIDERATION AS PROVIDED UNDER THE PURCHASE AGREEMENT, AND THE DISCOUNTING OF RENT TO THE LEVEL SET FORTH HEREIN FOR THE TERM AS A SETTLEMENT OF ANY POTENTIAL RELOCATION RELEASES ANY CLAIMS FOR RELOCATION BENEFITS, RELOCATION

ASSISTANCE AND COMPENSATION FOR GOODWILL, LOSS OF USE OF THE SUBJECT PROPERTY, AND ANY AND ALL CLAIMS RELATED TO THE PROPERTY AND THE VACATION AND RELINQUISHMENT THEREOF BY "SELLER."

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Tenant

15. HOLDING OVER. If Tenant shall hold over the Rental Property after the expiration of the term hereof, with the consent of Landlord, either express or implied, such holding over shall be construed to be only a tenancy from month to month, subject to all the covenants, conditions and obligations hereof, and Tenant hereby agrees to pay to Landlord the DAILY rental at the rate of Thirty Dollars (\$30.00) ("Holdover Rental"); provided, however, that nothing herein contained shall be construed to give Tenant any rights to so hold over and to continue in possession of the Rental Property after the expiration of the term hereof.

16. TRANSFER BY LANDLORD. In the event Landlord, or any individual owner constituting Landlord ("Owner"), transfers its title or interest in the Rental Property, then Landlord, or such individual Owner, shall be released from the performance of all obligations arising from and after the date of such transfer.

17. SPECIAL HOLDOVER AND DAMAGES PROVISIONS. Tenant agrees and acknowledges that the timely relinquishment of possession of the Rental Property is of great importance to Landlord and the provision of this Rental Agreement to Tenant is a substantial accommodation of Tenant. In the event Tenant holds over, and without limitation as to such other remedies that may be available at law or equity, Landlord shall reduce the Retained Amount (as defined in the Purchase Agreement) by such Holdover Rent as shall become applicable under this Rental Agreement as determined in good faith by the Executive Director of Landlord. In addition, in the event Tenant shall fail to make payment of any amounts which become payable under this Rental Agreement ("Damages"), including without limitation, attorney fees, and without limitation as to such other remedies that may be available at law or equity, Landlord shall reduce the Retained Amount by such amount.

18. GENERAL.

18.1 Attorney's Fees. In the event that any action is brought by either party thereto as against the other party hereto for the enforcement or declaration of any right or remedies in or under this Rental Agreement or for the breach of any covenant or condition of this Rental Agreement then, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the other party.

18.2 Waiver. No waiver of any breach of any of the terms, covenants, agreements, restrictions or conditions of this Rental Agreement shall be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions and conditions hereof.

18.3 Surrender at End of Term. Upon the end of the term of this Rental Agreement, as provided herein, or any extension thereof, or sooner termination of this Rental Agreement, Tenant shall surrender the Rental Property to the Landlord.

18.4 Rental Agreement Binding on Heirs and Assigns. Subject to the limitations on assignment, each of the terms, covenants and conditions of this Rental Agreement shall extend to and be binding on and inure to the benefit of not only Landlord and Tenant, but each of their respective heirs, representatives, administrators and assigns. Whenever in this Rental Agreement reference is made to either Landlord or Tenant, the reference shall be deemed to include, whenever applicable, the heirs, legal representatives and assigns of each of the parties, the same as if in every case expressed.

18.5 Inspection. Landlord reserves the right for Landlord and Landlord's agents and representatives to enter upon the Rental Property at any reasonable time and after reasonable notice to Tenant for the purpose of attending to Landlord's business and Landlord's interest hereunder.

18.6 Relationship of the Parties. The relationship of the parties hereto is that of Landlord and Tenant, and it is expressly understood and agreed that Landlord does not in any way, nor for the purpose, become a partner of Tenant or a joint venturer with Tenant in the conduct of Tenant's business, or otherwise, and that the provisions of any agreement between Landlord and Tenant, relating to rent, are made solely for the purpose of providing a method whereby rental payments are to be measured and ascertained.

18.7 Time of Essence. Time is expressly declared to be of the essence of this Rental Agreement. Each term and provision of this Rental Agreement, performable by Tenant, shall be construed to be both a covenant and a condition.

18.8 Quitclaim. At the expiration or earlier termination of this Rental Agreement, and prior to the disbursement of the "Relocation Amount" (namely, the sum of \$1,325.00), Tenant shall execute, acknowledge and deliver to Landlord, within three (3) days after written demand from Landlord to Tenant, any quitclaim deed or other document reasonably necessary to remove the cloud of this Rental Agreement from the real property subject to this Rental Agreement.

18.9 Construction of Rental Agreement. The language in all parts of this Rental Agreement shall, in all cases, be construed as a whole and in accordance with its fair meaning and not restricted for or against either Landlord or Tenant. The captions of the sections and subsections of this Rental Agreement are for convenience only and shall not be construed or referred to in resolving questions of construction.

The words "Landlord" and "Tenant," wherever used herein, shall be applicable to one or more persons, as the case may be, and the singular shall include the plural; the neuter shall include the masculine and feminine; and, if there be more than one, the obligations thereof shall be joint and several. The word "person", whenever used herein, shall include individuals, firms, associations, and corporations. Whenever in this Rental Agreement any words denoting undertaking, covenant or duty are used, such words shall have the same force and effect as though made in the form of conditions.

If any provision of this Rental Agreement shall be adjudged to be invalid, void or illegal, it shall in no way affect, impair or invalidate any other provisions hereof, the parties hereby agreeing that they would have entered into the remaining portion of this Rental Agreement notwithstanding the omission of the portion or portions adjudged invalid, void or illegal.



18.10 Entire Agreement. The Rental Agreement contains the entire agreement of the parties hereto with respect to the matters covered hereby, and no other agreement, statement or promise made by any party hereto, or to any employee, officer, or agent of any party hereto, which is not contained herein, shall be binding or valid.

18.11 Force Majeure. The time within which either party hereto shall be required to perform any act under this Rental Agreement, shall be extended by a period of time equal to the number of days during which performance of such act is delayed unavoidably by strikes, lockouts, acts of God, civil disturbance or fire but for no other causes.

18.12 Rental Agreement. Any amendments or modifications to this Rental Agreement must be in writing and executed by all of the parties hereto or their successors or assigns.

18.13 Notices. Any notice to be given or other document to be delivered by either party to the other hereunder may be delivered in person to either party, or may be deposited in the United States mail, in the State of California, duly registered or certified, with postage thereon fully prepaid and addressed to the party for whom intended as follows:

To Landlord: Loma Linda Redevelopment Agency  
Attention: Community Development Director  
16600 Civic Center Drive  
Loma Linda, CA 90706

To Tenant: \_\_\_\_\_  
\_\_\_\_\_  
Loma Linda, CA 92354

Either party hereto may, from time to time, by written notice to the other party, designate a different address which shall be substituted for the one above specified. If any notice or other document is sent by registered or certified mail, as aforesaid, the same shall be deemed served or delivered within forty-eight (48) hours after the mailing thereof, as above provided.

[Signatures begin on the following page]

IN WITNESS WHEREOF, the parties hereto have executed this Rental Agreement on the day and year first above written.

“LANDLORD”

LOMA LINDA REDEVELOPMENT  
agency, a public body, corporate and politic

By: \_\_\_\_\_  
Dennis R. Halloway  
Its: Executive Director

“TENANT”

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Attachment No. 1

DESCRIPTION OF THE RENTAL PROPERTY

[To Come]

Assessor's Parcel No: \_\_\_\_\_